

12m Results 2024

 Opinion ⁽¹⁾: Above expectations

 Impact ⁽¹⁾: We will have to raise our estimates

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Business description

Seresco (SCO), is a highly diversified Spanish tech company: payroll and personnel administration, consulting and software development, IT infrastructures and systems, digital transformation, and land registry management and cartography. It also operates internationally (21% of revenue in 2024). Government agencies had a 49% weight in the 2023 revenue mix. SCO has been listed on BME Growth since December 2022.

Market Data

Market Cap (Mn EUR and USD)	50.5	57.3
EV (Mn EUR and USD) ⁽²⁾	58.7	66.7
Shares Outstanding (Mn)	9.1	
-12m (Max/Med/Mín EUR)	5.65 / 4.78 / 3.88	
Daily Avg volume (-12m Mn EUR)	0.01	
Rotation ⁽³⁾	5.7	
Factset / Bloomberg	SCO-ES / SCO SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) ⁽⁵⁾

Suarez García Family	61.4
Management	7.5
Tomás Reinares Fernández	5.9
Manuel Angel Busto Riego	5.7
Free Float	19.3

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	11.0	27.3	21.5	n.a.
vs Ibex 35	12.2	15.6	1.9	n.a.
vs Ibex Small Cap Index	14.2	20.1	10.0	n.a.
vs Eurostoxx 50	18.1	30.3	19.4	n.a.
vs Sector benchmark ⁽⁴⁾	21.4	43.2	31.4	n.a.

(2) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(3) Please refer to Appendix 1.

(4) Rotation is the % of the capitalisation traded - 12m.

(5) vs Stoxx Europe 600 Technology.

(5) Others: Treasury Stock 0.2%

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Factset and Lighthouse.

2024 Results: Better. Strong Revenue Growth (+28%) Maintained and Margins Take Off (Doubling).

STRONG REVENUE GROWTH... EUR 53.9Mn (+27.8%), with an essentially organic component (c.+20% adjusting for the M&A at the end of 2023), which validates the growth model based on cross-selling to the existing customer base and complemented by M&A and international expansion. In line with what was seen in the 6m results, Mapping and Cadastre (+52%) continues to lead growth by business line.

..."PUSHING" EBITDA THROUGH OPERATING LEVERAGE... EUR 8.3Mn Recurring EBITDA (+139%) which reflects very good operating performance, with personnel expenses growing (+17%) well below revenue. And it continues the margin improvement seen in 1H, leaving behind the margin drop in 2023 due to M&A. The EBITDA/Sales margin (15.2%) almost "doubles" 2023 (8.2%), and significantly improves the expected (12.5%). And it confirms that operating leverage is an effective growth driver, by integrating the M&A already executed and continuing to optimize the structure.

...KEEPING DEBT UNDER CONTROL (NET DEBT/EBITDA < 1X). Net Debt of EUR 7.5Mn, unchanged from 2023 despite the greater activity and investment in working capital caused by the cadastral survey contract in Peru and its delivery pace. FCF generation allows SCO to improve its financial soundness (0.9x Recurring Net Debt/EBITDA vs. >2x Recurring Net Debt/EBITDA in 2023). And it leaves open the possibility of more growth through M&A.

MORE OF THE SAME IN 2025... SCO reiterates its targets for 2025 (revenue EUR 68Mn and Recurring EBITDA > EUR 10.5Mn). We will have to raise estimates to reflect the margin increase already seen in 2024 (levels >15% vs. our 2025e estimate of 13%). Reflecting the ability to sustain double-digit revenue growth and its effect on margins.

"DELIVERY": THE 2024 RESULTS VALIDATE SCO'S MODEL. The 2024 results are key insofar as they confirm that the business model is effective and that the momentum is favorable. With a very simple equity story: 1) strong balance sheet and open option for more M&A, 2) double-digit revenue growth and margin improvement, and 3) positive FCF generation. Which continues to trade at low multiples (2025e EV/EBITDA c.6x). A differentiated smallcap in the technology sector: which it systematically beats (c.+31% -12m).

Results table

	12m24	12m24	12m24	2024e	2024 Real
EUR Mn	Real	12m23	vs 12m23		vs 2024e
Total Revenues	53.9	42.2	27.8%	55.7	-3.4%
Recurrent EBITDA¹	8.3	3.5	139.0%	7.0	19.0%
<i>Rec. EBITDA/Revenues</i>	<i>15.4%</i>	<i>8.2%</i>	<i>7.2 p.p.</i>	<i>12.5%</i>	<i>2.9 p.p.</i>
EBITDA¹	8.6	3.9	119.4%	7.0	22.9%
<i>EBITDA/Revenues</i>	<i>15.9%</i>	<i>9.2%</i>	<i>6.6 p.p.</i>	<i>12.5%</i>	<i>3.4 p.p.</i>
EBIT	6.8	3.3	105.5%	5.4	25.4%
PBT	6.3	3.0	110.9%	4.6	35.7%
NP	4.8	2.1	133.2%	3.3	44.2%
Net Debt	7.5	7.6	-1.9%	6.7	11.2%
ND / EBITDA	0.9 x	2.0 x	-1.1 x	1.0 x	

(1) EBITDA and Recurring EBITDA adjusted to exclude the impact of capitalized expenses. In the case of Recurring EBITDA we have also excluded grants.

Seresco (SCO) is a BME Growth company

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Appendix 1. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	50.5	
+ Minority Interests	1.0	12m Results 2024
+ Provisions & Other L/T Liabilities	0.0	12m Results 2024
+ Net financial debt	7.5	12m Results 2024
- Financial Investments	0.3	12m Results 2024
+/- Others		
Enterprise Value (EV)	58.7	

Appendix 2. Main peers (2025e)

	EUR Mn	Sopra Steria	Indra	Izertis	Capgemini	SAP
Market data	Ticker (Factset)	SOP-FR	IDR-ES	IZER-ES	CAP-FR	SAP-DE
	Country	France	Spain	Spain	France	Germany
	Market cap	3,567.1	4,858.0	254.3	22,652.1	296,929.5
	Enterprise value (EV)	4,270.3	4,958.5	298.3	25,509.5	281,899.6
Basic financial information	Total Revenues	5,724.5	5,229.5	219.3	22,215.4	37,727.5
	Total Revenues growth	-0.9%	8.0%	22.7%	0.5%	10.4%
	2y CAGR (2025e - 2027e)	3.1%	5.7%	n.a.	4.3%	12.5%
	EBITDA	706.8	602.0	33.0	3,581.0	11,655.5
	EBITDA growth	-3.1%	16.0%	22.7%	11.8%	22.3%
	2y CAGR (2025e - 2027e)	4.9%	7.7%	n.a.	3.5%	16.3%
	EBITDA/Revenues	12.3%	11.5%	15.0%	16.1%	30.9%
	EBIT	538.9	501.2	24.5	2,977.7	10,503.2
	EBIT growth	5.7%	21.7%	29.2%	18.2%	27.3%
	2y CAGR (2025e - 2027e)	6.1%	8.6%	n.a.	5.5%	17.0%
	EBIT/Revenues	9.4%	9.6%	11.2%	13.4%	27.8%
	Net Profit	298.9	322.5	12.6	2,008.4	7,167.1
	Net Profit growth	-3.3%	16.2%	40.1%	20.2%	129.4%
	2y CAGR (2025e - 2027e)	10.1%	9.7%	n.a.	7.2%	18.5%
	CAPEX/Sales %	1.6%	1.7%	5.9%	1.5%	2.2%
	Free Cash Flow	316.7	292.5	4.2	1,929.0	8,117.4
	Net financial debt	329.6	(232.2)	71.6	1,051.3	(3,075.6)
Multiples and Ratios	ND/EBITDA (x)	0.5	n.a.	2.2	0.3	n.a.
	Pay-out	35.2%	18.8%	0.0%	29.9%	38.6%
	P/E (x)	10.1	15.0	17.9	11.5	39.1
	P/BV (x)	1.6	3.0	2.3	1.7	5.9
	EV/Revenues (x)	0.7	0.9	1.4	1.1	7.5
	EV/EBITDA (x)	6.0	8.2	9.0	7.1	24.2
	EV/EBIT (x)	7.9	9.9	12.2	8.6	26.8
	ROE	15.6	20.3	12.6	15.2	15.0
	FCF Yield (%)	8.9	6.0	1.6	8.5	2.7
	DPS	5.22	0.35	0.00	3.53	2.37
	Dvd Yield	3.0%	1.3%	0.0%	2.7%	1.0%

Note 1: Financial data, multiples and ratios based on market consensus (Factset).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LIGHTHOUSE

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24-Apr-2025	n.a.	5.55	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
31-Oct-2024	n.a.	4.78	n.a.	n.a.	6m Results 2024	Alfredo Echevarría Otegui
27-May-2024	n.a.	4.67	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
26-Apr-2024	n.a.	4.61	n.a.	n.a.	12m Results 2023	Enrique Andrés Abad, CFA
29-Dec-2023	n.a.	4.47	n.a.	n.a.	Estimates downgrade	Enrique Andrés Abad, CFA
27-Oct-2023	n.a.	3.10	n.a.	n.a.	6m Results 2023	Enrique Andrés Abad, CFA
12-Jun-2023	n.a.	3.46	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
04-May-2023	n.a.	3.74	n.a.	n.a.	Initiation of Coverage	Enrique Andrés Abad, CFA

